Annual Report

for the fiscal year ended March 31 **1991**

Alberta
TREASURY

Alberta

The Speaker of the Assembly

Sir:

Pursuant to section 52 of the Legislative Assembly Act, being Chapter L-10.1 of the 1983 Statutes of Alberta, I have the honour to lay before the Assembly the annual report of the Treasury Department for the fiscal year ended March 31, 1991.

Respectfully submitted,

Dick Johnston

92-04445/

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I. TREASURY—THE YEAR IN REVIEW

Deputy Provincial Treasurers' Report

Functional Organization Chart
- Management and Control
- Finance and Revenue

DEPUTY PROVINCIAL TREASURERS' REPORT

We are pleased to provide a report on the activities of the Treasury Department for the fiscal year ended March 31, 1991.

Treasury plays a major role in many government initiatives. Following are some of the highlights of the issues dealt with during the fiscal year.

As a result of the government's announcement in May 1990 to privatize The Alberta Government Telephone Commission, an offering of the government's shares in the newly established holding company TELUS Corporation was launched in August. Albertans were given the opportunity to purchase common shares held by the province through an instalment receipt program. About 140,000 Albertans participated in the purchase of an issue of $896 million. This was the largest share offering in Canadian history.

The government initiated a legal challenge to the proposed federal Goods and Services Tax (GST) questioning the constitutional validity of the tax. On another issue involving the federal government, an agreement was reached on a further $149 million payment in respect of the province's stabilization claim, initiated in 1987. In July, 1991, following arbitration on the treatment of the Alberta Royalty Tax Credit, an additional payment of $195.6 million was received. This brought Alberta's total stabilization claim receipts to $419.2 million.

In the spring of 1991, the provincial ministers responsible for the regulation of financial institutions reached a key agreement on principles for interprovincial harmonization of loan and trust company legislation. The department played a significant role in the development of these principles. Discussions are continuing with the federal government towards establishing a harmonized regulatory regime for federal and provincial loan and trust companies.

In June, more than two years of hard work culminated in the introduction of Alberta's Loan and Trust Corporations Act in the Legislative Assembly. This new Act incorporated the principles agreed upon during the interprovincial harmonization process noted above and was also a result of a comprehensive review of the existing regulatory framework that involved extensive consultation with industry groups, individual companies, and related professional organizations. The new legislation strengthens regulatory powers, improves reporting and disclosure requirements, and modernizes corporate and investment powers.

The fourth annual issue of Alberta Capital Bonds featured a new five-year term and a guaranteed interest rate of 11 percent. More than $700 million 1990 Alberta Capital Bonds were sold to Albertans. Since 1987, bondholders have received about $385 million in interest payments.

The Alberta Heritage Savings Trust Fund annual report, released in October, showed financial assets of $12.1 billion at March 31, 1991.

The Public Accounts for the year ended March 31, 1990, were released in March. The Public Accounts provide consolidated financial statements for the Province of Alberta.

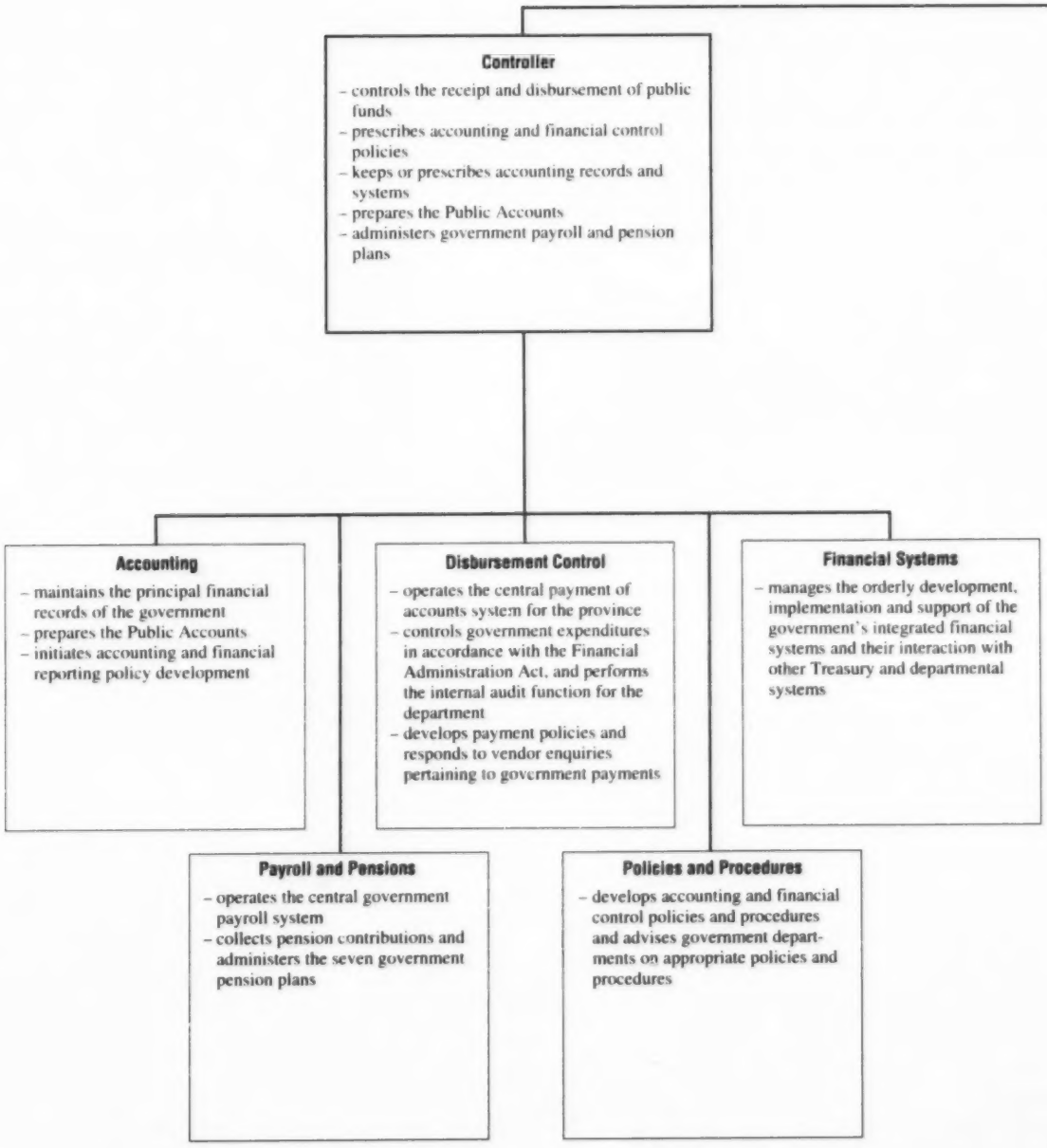
During the year there was considerable activity in preparation for the 1991 Budget, which the Provincial Treasurer announced would be presented April 4, 1991. The preparation of the government's budget plan is one of the major responsibilities of the department.

This past fiscal year has been demanding and challenging. Our ability, as a department, to meet these challenges is a result of the professionalism and dedication of our management and staff.

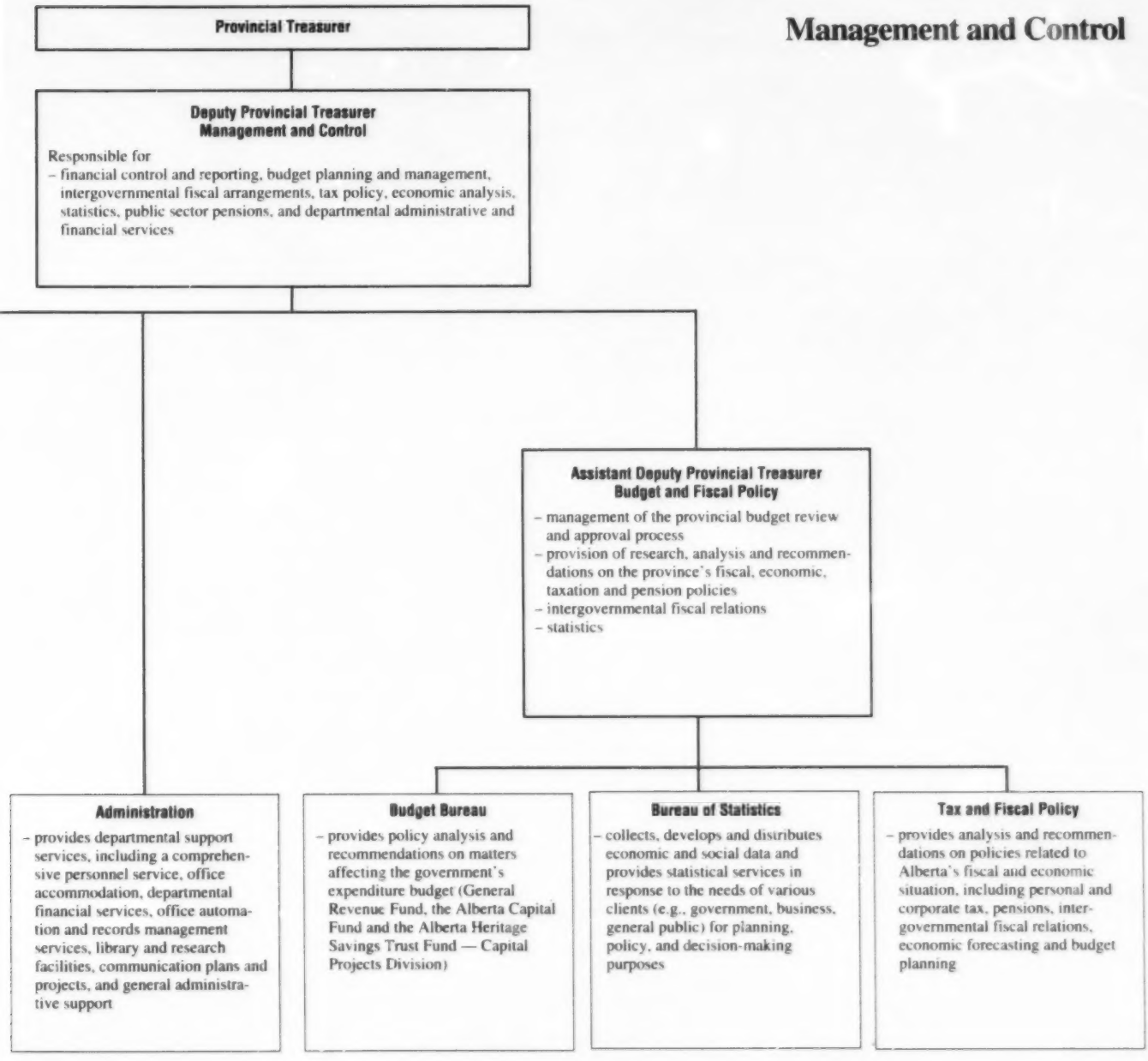
A.D. O'Brien

A.J. McPherson

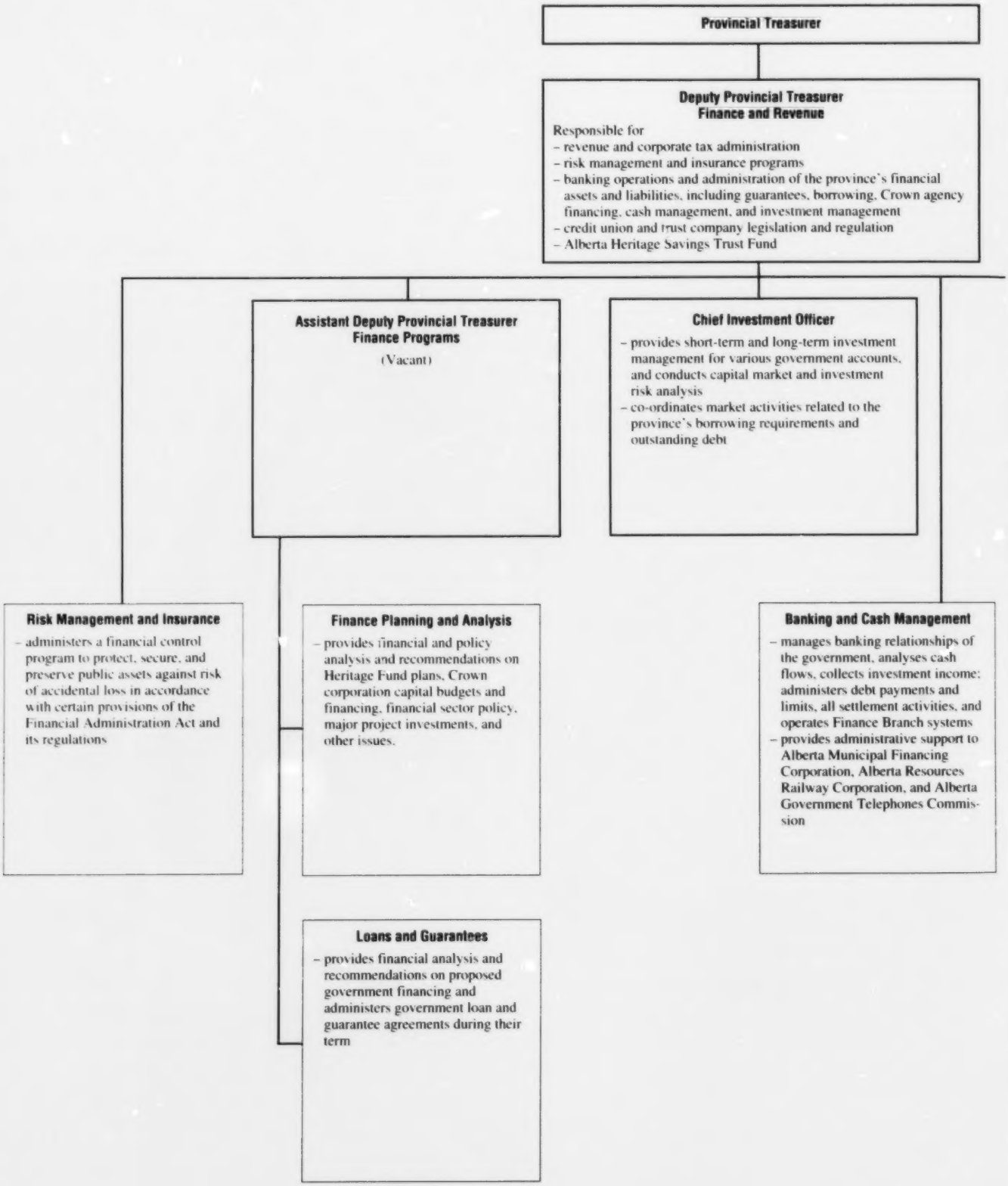
FUNCTIONAL ORGANIZATION CHART


Controller
– controls the receipt and disbursement of public funds
– prescribes accounting and financial control policies
– keeps or prescribes accounting records and systems
– prepares the Public Accounts
– administers government payroll and pension plans
Accounting
– maintains the principal financial records of the government
– prepares the Public Accounts
– initiates accounting and financial reporting policy development
Disbursement Control
– operates the central payment of accounts system for the province
– controls government expenditures in accordance with the Financial Administration Act, and performs the internal audit function for the department
– develops payment policies and responds to vendor enquiries pertaining to government payments
Financial Systems
– manages the orderly development, implementation and support of the government's integrated financial systems and their interaction with other Treasury and departmental systems
Payroll and Pensions
– operates the central government payroll system
– collects pension contributions and administers the seven government pension plans
Policies and Procedures
– develops accounting and financial control policies and procedures and advises government departments on appropriate policies and procedures

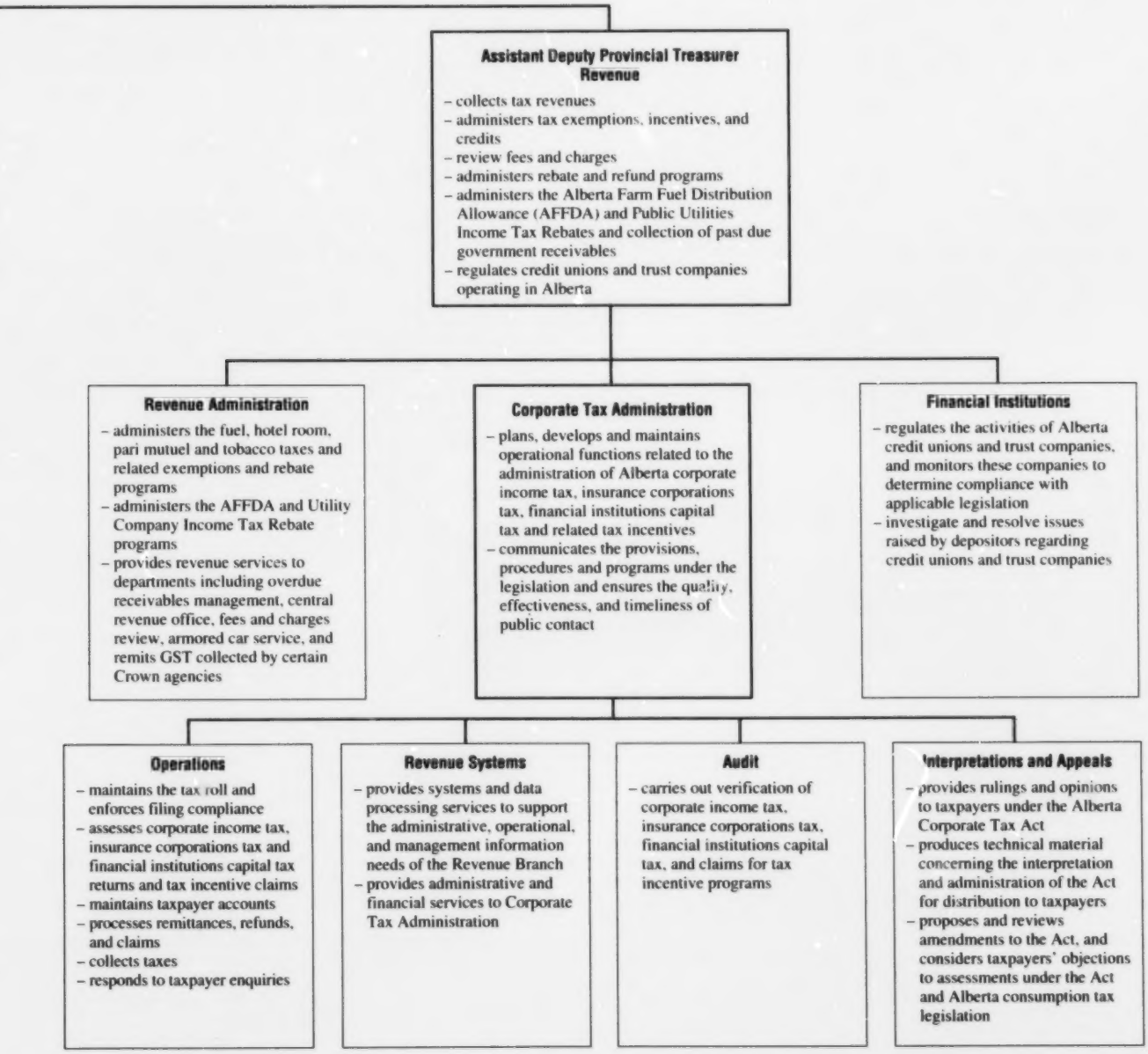
Management and Control


Provincial Treasurer
Deputy Provincial Treasurer
Management and Control
Responsible for
– financial control and reporting, budget planning and management, intergovernmental fiscal arrangements, tax policy, economic analysis, statistics, public sector pensions, and departmental administrative and financial services
Assistant Deputy Provincial Treasurer
Budget and Fiscal Policy
– management of the provincial budget review and approval process
– provision of research, analysis and recommendations on the province's fiscal, economic, taxation and pension policies
– intergovernmental fiscal relations
– statistics
Administration
– provides departmental support services, including a comprehensive personnel service, office accommodation, departmental financial services, office automation and records management services, library and research facilities, communication plans and projects, and general administrative support
Budget Bureau
– provides policy analysis and recommendations on matters affecting the government's expenditure budget (General Revenue Fund, the Alberta Capital Fund and the Alberta Heritage Savings Trust Fund — Capital Projects Division)
Bureau of Statistics
– collects, develops and distributes economic and social data and provides statistical services in response to the needs of various clients (e.g., government, business, general public) for planning, policy, and decision-making purposes
Tax and Fiscal Policy
– provides analysis and recommendations on policies related to Alberta's fiscal and economic situation, including personal and corporate tax, pensions, intergovernmental fiscal relations, economic forecasting and budget planning

FUNCTIONAL ORGANIZATION CHART


Provincial Treasurer
Deputy Provincial Treasurer
Finance and Revenue
Responsible for
- revenue and corporate tax administration
- risk management and insurance programs
- banking operations and administration of the province's financial assets and liabilities, including guarantees, borrowing, Crown agency financing, cash management, and investment management
- credit union and trust company legislation and regulation
- Alberta Heritage Savings Trust Fund
Assistant Deputy Provincial Treasurer
Finance Programs
(Vacant)
Chief Investment Officer
- provides short-term and long-term investment management for various government accounts, and conducts capital market and investment risk analysis
- co-ordinates market activities related to the province's borrowing requirements and outstanding debt
Risk Management and Insurance
- administers a financial control program to protect, secure, and preserve public assets against risk of accidental loss in accordance with certain provisions of the Financial Administration Act and its regulations
Finance Planning and Analysis
- provides financial and policy analysis and recommendations on Heritage Fund plans, Crown corporation capital budgets and financing, financial sector policy, major project investments, and other issues.
Banking and Cash Management
- manages banking relationships of the government, analyses cash flows, collects investment income; administers debt payments and limits, all settlement activities, and operates Finance Branch systems
- provides administrative support to Alberta Municipal Financing Corporation, Alberta Resources Railway Corporation, and Alberta Government Telephones Commission
Loans and Guarantees
- provides financial analysis and recommendations on proposed government financing and administers government loan and guarantee agreements during their term

Finance and Revenue


Assistant Deputy Provincial Treasurer
Revenue
– collects tax revenues
– administers tax exemptions, incentives, and credits
– review fees and charges
– administers rebate and refund programs
– administers the Alberta Farm Fuel Distribution Allowance (AFFDA) and Public Utilities Income Tax Rebates and collection of past due government receivables
– regulates credit unions and trust companies operating in Alberta
Revenue Administration
– administers the fuel, hotel room, pari mutuel and tobacco taxes and related exemptions and rebate programs
– administers the AFFDA and Utility Company Income Tax Rebate programs
– provides revenue services to departments including overdue receivables management, central revenue office, fees and charges review, armored car service, and remits GST collected by certain Crown agencies
Corporate Tax Administration
– plans, develops and maintains operational functions related to the administration of Alberta corporate income tax, insurance corporations tax, financial institutions capital tax and related tax incentives
– communicates the provisions, procedures and programs under the legislation and ensures the quality, effectiveness, and timeliness of public contact
Financial Institutions
– regulates the activities of Alberta credit unions and trust companies, and monitors these companies to determine compliance with applicable legislation
– investigate and resolve issues raised by depositors regarding credit unions and trust companies
Operations
– maintains the tax roll and enforces filing compliance
– assesses corporate income tax, insurance corporations tax and financial institutions capital tax returns and tax incentive claims
– maintains taxpayer accounts
– processes remittances, refunds, and claims
– collects taxes
– responds to taxpayer enquiries
Revenue Systems
– provides systems and data processing services to support the administrative, operational, and management information needs of the Revenue Branch
– provides administrative and financial services to Corporate Tax Administration
Audit
– carries out verification of corporate income tax, insurance corporations tax, financial institutions capital tax, and claims for tax incentive programs
Interpretations and Appeals
– provides rulings and opinions to taxpayers under the Alberta Corporate Tax Act
– produces technical material concerning the interpretation and administration of the Act for distribution to taxpayers
– proposes and reviews amendments to the Act, and considers taxpayers' objections to assessments under the Act and Alberta consumption tax legislation

II. BRANCH AND DIVISION REPORTS

MANAGEMENT AND CONTROL

Office of the Controller
- Accounting
- Disbursement Control
- Financial Systems
- Payroll and Pensions
- Policies and Procedures

Budget and Fiscal Policy Branch
- Budget Bureau
- Bureau of Statistics
- Tax and Fiscal Policy

Administration

OFFICE OF THE CONTROLLER

ACCOUNTING

FUNCTIONS

- Initiate accounting and financial reporting policy development and improve policy for implementation throughout the government; review proposed legislation for accounting and financial reporting implications
- Maintain the principal financial records of the government; prepare interim and annual financial statements
- Prepare consolidated financial statements for the province; prepare the Public Accounts and supplementary reports of expenditure by payee and reports of payments required under the Legislative Assembly Act
- Administer computer systems for
  - general ledger accounting
  - revenue accounting and reporting
  - control of accountable advances
  - control and reconciliation of issued, negotiated, and replacement cheques
  - expenditure reporting by payee

YEAR IN REVIEW

- Clarified accounting policy about certain aspects of foreign currency translation, accounting for capital leases, accrual of severance pay and certain transfer payments, land exchanges and gifts of land, and real estate held for rental and resale by the General Revenue Fund and Land Purchase Fund
- Maintained the principal records of the government, including the records of up to 130 funds and agencies; prepared the financial statements of the General Revenue Fund and various regulated funds, including the Alberta Heritage Savings Trust Fund and the Alberta Capital Fund for inclusion in the Public Accounts
- Prepared the annual consolidated financial statements of the province with improved disclosure of significant accounting policies and reporting practices
- Achieved a significant reduction in typesetting time and cost for the Public Accounts and supplementary reports of expenditure by payee by acquiring, testing, and using state-of-the-art desktop publishing software to handle the typesetting in-house
- Designed and implemented processing and reporting routines for the collection and remittance of the federal Goods and Services Tax throughout the government
- Developed accounting and reporting policy framework for newly established regulated and trust funds, in particular the Victims' Programs Assistance Fund and the Federal Goods and Services Tax Trust, and for the anticipated establishment of a new pooled fund for money invested with external managers in Canada, the United States, and other foreign countries through a proposed global custodianship arrangement
- Developed microcomputer system applications to supplement the mainframe, including applications that
  - report all fund balances on request
  - track the province's participation in the Lloydminster bi-provincial upgrader project
  - track the book values and market values of surplus land held by the General Revenue Fund
  - track the rental revenue, receivables, and receipts of the Land Purchase Fund

DISBURSEMENT CONTROL

FUNCTIONS

- Control expenditures and disbursements in accordance with Section 39 of the Financial Administration Act, ensuring legality, authority, and availability of funds
- Operate the central government payment of accounts system, maintain payment records, and make payments by cheque and direct deposit
- Review departmental systems to ensure compliance with prescribed standards for internal control
- Provide an internal audit function for the department

- Develop and encourage good relations with the vendor community by identifying and resolving payment problems, monitoring departmental/vendor activities, and responding to vendor enquiries

- Develop payment policies, review and monitor departmental payment practices, and develop new payment processes as required

YEAR IN REVIEW

- Implemented a major upgrade to the central payment of accounts system, and began the process of converting departments to the upgraded system on a phased basis

- Monitored departmental payment and processing times for payment transactions throughout the year; average payment and processing times for the government were approximately 27 days and 22 days, respectively, for the year ended March 31, 1991

- Implemented an Automated Direct Deposit System to facilitate payments to vendors via electronic funds transfer and converted approximately 700 vendors to this system

- Processed approximately 4 million cheques and 75,000 direct deposits through the central payment of accounts system

- Responded to approximately 4,000 calls from vendors seeking assistance or information regarding government payments

- Provided regular management information and financial reports to government departments

- Monitored the payment of vendor invoices and scheduling of large dollar payments to ensure payments were made in accordance with payment terms of a contract

- Assisted in the full implementation of the Government Vehicle Services Card used for the purchase of automotive fuel and minor emergency repairs relating to government vehicles

- Completed 23 compliance reviews, 20 audit reviews, and 6 internal audits

- Initiated a project to convert and centralize approximately 5,000 administrative, operational, and departmental case files to improve efficiency in retrieving divisional documentation

DISBURSEMENT CONTROL
STATISTICAL HIGHLIGHTS
(unaudited)

	1990/91	1989/90
	(in thousands)	
CHEQUES ISSUED		
Social Programs	1,821	1,807
Vendors	2,150	1,656
Manual and Other	33	85
TOTAL	4,004	3,548
DIRECT DEPOSITS ISSUED		
Social Programs	31	31
Vendors	36	5
Manual	8	4
TOTAL	75	40
Transactions Processed	6,164	5,420
CHEQUE DISTRIBUTION		
Cheques Mailed	3,660	N/A
Cheques Returned to Departments	344	N/A
VENDORS		
Number of Vendors	284	378
Vendor Enquiries	4	4

FINANCIAL SYSTEMS

FUNCTIONS

- Develop, implement, and support the government's integrated financial systems
- Co-ordinate the operation of the government's financial systems for the operating divisions of the Office of the Controller and government departments
- Co-ordinate the development and implementation of office automation technology for the Office of the Controller

YEAR IN REVIEW

- Completed the enhancements to the online components of the new Departmental Financial System/Central Financial System (DFS/CFS)
- Began conversion of government departments to the new realtime version of DFS/CFS
- Introduced processing efficiencies and system enhancements through some 500 requests for change
- The DFS/CFS average transaction cost rose to 23 cents on a total volume of 5.5 million transactions. This can be accounted for by the overlap of the new and old system during the migration period, and the increased online processing and inquiry capabilities of the new system.
- Implemented the Electronic Fund Transfer System for vendor payments
- Initiated the redesign of the Payee Accounts database to take advantage of microcomputing technology and reduce processing costs
- Researched the use of micro based system development tools to increase programming efficiency

PAYROLL AND PENSIONS

FUNCTIONS

- Control payroll disbursements in accordance with the Financial Administration Act and applicable legislation
- Operate the central government payroll system
- Administer seven government pension plans, including the collection of pension contributions and determination and payment of benefits

YEAR IN REVIEW

- Redeveloped the payment calculation and reporting component of the payroll systems, including the development of improved direct deposit and cheque statements containing substantially more information
- Completed the majority of the development of the new Payroll Online Input System, to allow government departments to complete payroll transactions online and obtain electronic authorizations from designated officials through the online system
- Developed a subsystem to capture and report pension adjustment information, required by the federal government as part of changes to income tax legislation concerning pension reform
- Expanded the Manpower Utilization and Monitoring System, providing the capacity to monitor the utilization of manpower for two consecutive years
- Enhanced the payroll system to provide for employer/employee cost sharing of benefit premiums to be extended into periods of leave of absence, further automated the handling of pay and benefit adjustments, and incorporated major changes required by the federal government in the processing and reporting of T4 and related information
- Processed negotiated pay increases for all Bargaining Unit subsidiaries, as well as Opted Out/Excluded and Management classes. These were handled in a highly automated manner, improving the timeliness with which the pay increases were processed
- Installed a minicomputer hardware environment and migrated the computer operation of the Pension Retirement System to the new equipment. The new operating framework provides opportunity to expand system automation while controlling and minimizing future cost increases.
- Introduced an automated facility for processing Prior Service Applications. The new system reduces time to process applications and diminishes the number of rejected applications.

- Streamlined the paper output from the Pension System resulting in savings in internal processing and more simplified presentation of information to employers
- Standardized the computerized pension file backup processes, producing data storage savings of $20,000 per year
- Commenced a pilot introduction of a direct deposit facility for employer remittances of pension contributions
- Continued the enhancements of division systems by implementing some 350 requests for change to payroll systems and 460 to pension systems
- Presented pension information seminars and pre-retirement seminars to a combined audience of 2,900 pension plan participants
- Provided employer workshops to 1,016 employer representatives
- Published four issues of the newsletter *Postscript* on behalf of the Alberta Retired Public Employees' Society
- Published seven issues of *Pension News*—a periodic information sheet for participating government and non-government employers
- Researched and prepared 109 appeal files for presentation to the Alberta Pension Boards

PAYROLL AND PENSIONS
STATISTICAL HIGHLIGHTS
(unaudited)

		1990/91	1989/90
PAYROLL (number of)			
Salary and Wage Payments	- Cheques	323,878	392,831
	- Direct Deposits	630,218	580,771
PENSIONS (number of)			
Pensioners		30,413	28,829
Contributor Accounts		147,465	143,044
Employers		570	566
Cheques Deposited		10,172	10,213
Retirement Payments	- Cheques	85,514	86,240
	- Direct Deposits	275,217	255,823
Refund Payments Issued		10,599	10,261
RECEIPTS AND PAYMENTS (thousands of dollars)			
Pension Contributions Received		504,857	461,469
Salaries/wages paid		1,523,273	1,444,318
Pensions paid		320,425	292,955
Refunds paid		47,696	44,670

POLICIES AND PROCEDURES

FUNCTIONS

- Develop and communicate accounting and financial control policies and procedures
- Assist departments to develop and implement financial control systems and procedures

YEAR IN REVIEW

- Co-ordinated the work of an intra-departmental task force struck to conduct a comprehensive review of the provisions of the Financial Administration Act with a view to recommending amendments to update the Act
- Researched various financial management policy issues, drafted position papers, made recommendations, and prepared Treasury Board Directives and other official documents respecting these policies
- Researched and prepared briefing material on various matters such as the Report of the Conflict of Interest Review Panel, Accounting and Auditing Statements issued by the professional accounting bodies, and a revised accounting distribution of the Workers' Compensation Board assessments

- Completed testing of the new release of DFS/CFS and distributed updated procedure documentation to all departments and to those provincial agencies that use the system

- Assisted 16 departments and provincial agencies convert to the second phase of the new release of DFS/CFS through training sessions and advice

- Responded to requests from departments and agencies for advice on the application of accounting and financial control policies and procedures

- Developed a training course for departmental accounting officers

- Conducted a pilot test of a system to communicate DFS/CFS procedural documentation electronically to users

- With an inter-branch group, researched and analysed the federal Goods and Services Tax for its effect on the Government of Alberta from a financial management and control perspective; drafted position papers; recommended policies, procedures and systems changes; presented information seminars; and advised departments and provincial agencies

- Researched and co-ordinated the drafting of the report submitted by the Provincial Treasurer to the Public Accounts Committee on the recommendations of the Auditor General

BUDGET BUREAU

FUNCTIONS

- Manage the annual expenditure budget planning and review process (General Revenue Fund, Alberta Capital Fund, and the Alberta Heritage Savings Trust Fund – Capital Projects Division)

- Provide research, analyses, and recommendations concerning

  - overall expenditure budget planning
  - departmental budget proposals
  - new or changed program policies
  - Supplementary Estimates and special warrants
  - funding and staff establishment reallocations
  - draft legislation and regulations

- Prepare and publish expenditure budget documents

- Design and implement improved budget methodology and administrative control policies across government, including those affecting electronic data processing in departments and agencies

- Support the Secretary to the Treasury Board

- Co-ordinate operations of the Government Land Purchase Revolving Fund

YEAR IN REVIEW

- Prepared analyses and co-ordinated the review of departmental submissions for the 1991–92 Estimates, and facilitated the Treasury Board review and decision-making process by

  - developing and presenting to Treasury Board options to assist in the control of expenditures

  - incorporating departmental fees and charges proposals in the expenditure budget review

  - analysing and making recommendations on program cost review candidates identified by departments

  - providing Treasury Board with various special topic analyses in support of the development of expenditure levels for the 1991–92 Estimates

- Published the 1991–92 Estimates including estimates for the Legislative Assembly, Alberta Capital Fund, and the Alberta Heritage Savings Trust Fund – Capital Projects Division

- Assisted in the preparation of the 1991 Budget Address and associated budget communications

- Analysed and made recommendations to the Provincial Treasurer on requests for decisions, draft legislation, special warrants, transfers of funds, and other budgetary issues submitted by departments

- Analysed and made recommendations to the Provincial Treasurer on EDP policy and budgetary issues

- Participated in intergovernmental budget conference highlighting health care expenditures

- Participated in interdepartmental committees reviewing various governmental policy issues, including developing Alberta's presentation to the Royal Commission on National Passenger Transportation System for the 21st Century

BUREAU OF STATISTICS

FUNCTIONS

- Serve as the central statistical agency of the Government of Alberta, operating under the Statistics Bureau Act

- Determine and respond to the needs of various client groups (e.g., government, business, and general public), and provide required statistical data for the policy and planning functions of the Alberta government and the decision-making processes in the private sector

- Collect, compile, analyse, and disseminate economic, demographic, and social statistics on Alberta

- Provide methodological and other statistically related assistance to, and co-ordinate the existing and proposed statistical activities of, government departments

- Collaborate with Statistics Canada and other provincial statistical agencies to minimize duplication and maintain statistical standards

YEAR IN REVIEW

- Continued to provide statistical information to the private and public sectors, both electronically and in response to some 5,000 requests via telephone and letter; began a major redevelopment of ASIST, the system for the electronic dissemination of statistical information

- Finalized government recommendations for the content of the 1991 Census of Canada; co-ordinated government support for the Census promotional campaign

- Represented Alberta on a number of federal/provincial statistical co-ordinating committees; served on several government land related information systems committees

- Published preliminary and final 1989 Alberta economic accounts, quarterly population estimates, and the quarterly statistical review—a source of a wide variety of current statistics on the province

- Prepared economic multipliers for Alberta to be used, for example, in measuring the impact on the economy of new investments

- Supported government planning and key research activities by

  - producing population estimates and projections for user-defined areas

  - acquiring, enhancing, and supporting a micro-computer database which allowed departments to respond more efficiently to requests for international trade statistics

  - providing methodological assistance on over 40 projects

  - obtaining special data sets (e.g., retail trade) and models from Statistics Canada and government departments, supporting their use by departments and carrying out special analytical studies

- using bureau developed geographic systems to produce thematic maps for various administrative areas and custom Census tabulations and provide input to electoral boundary research

- researching the viability of developing an Alberta based competitiveness index, small area unemployment data, and a method for measuring diversification

Publications available from the Alberta Bureau of Statistics are listed in Appendix B. In addition, a number of shorter reports and pamphlets, covering various demographic and economic topics, are available upon request.

TAX AND FISCAL POLICY

FUNCTIONS

- Plan and co-ordinate the annual Budget Address
- Provide fiscal forecasts and recommend fiscal policy options
- Monitor the performance of the budget plan
- Provide research, analyses, and recommendations on Alberta's revenue policies, including taxes, royalties, fees, and charges
- Design revenue measures to meet Alberta's economic, fiscal, and social policy objectives
- Prepare Alberta tax legislation
- Conduct economic situation and outlook assessments of the Alberta, national, and international economies
- Evaluate and make policy recommendations for provincially guaranteed and administered public sector pension plans and the Canada Pension Plan
- Analyse social policy issues from a Treasury perspective
- Analyse and provide policy advice on intergovernmental financial arrangements

YEAR IN REVIEW

- Planned and co-ordinated the April 1991 Budget Address
- Prepared fiscal and economic forecasts and fiscal policy options as part of the budget planning process
- Participated in the preparation of bond prospectuses, offering circulars and related documentation for the province's borrowing program
- Prepared revenue estimates and participated in interdepartmental meetings to set resource price and production assumptions
- Monitored the performance of the fiscal plan and the provincial economy in relation to the 1990 budget estimates
- Conducted reviews of provincially administered employee pension plans and two studies on social and economic trends in Alberta
- Participated in federal/provincial discussions regarding the Canada Pension Plan, including proposed amendments to survivor benefits
- Developed the policy regarding the treatment of the government entity under the federal Goods and Services Tax (GST); co-ordinated the procedures for dealing with the GST by government departments
- Assisted in preparing the legal challenge to the constitutionality of the GST
- Co-ordinated policy development under the Alberta Royalty Tax Credit Gas Supplement and prepared enabling legislation
- Prepared amendments to the Alberta Personal and Corporate Tax Acts to reflect the federal changes and the new Royalty Tax Credit Gas Supplement Program
- Participated in federal/provincial meetings on fiscal, taxation, and economic matters and helped prepare Alberta's position

- Analysed and provided policy advice on various economic, fiscal, taxation, and social policy issues
- Continued negotiations with the federal government for settlement of the stabilization claim in respect of Alberta's revenue downturn in 1986–87

ADMINISTRATION

FUNCTIONS

- Provide advice and assistance to the department by establishing standards for, and by carrying out, the recruitment and selection process, the training and development function, employee relation activities, position classifications, human resource planning, and the pay and benefits program; administer the collective agreements between the government and the Alberta Union of Provincial Employees as they relate to Treasury; and maintain personnel management information systems
- Prepare the annual departmental budget and EDP Plan and monitor expenditures throughout the year
- Establish and maintain accounting records and procedures for the department, ensuring adequate financial control
- Develop, evaluate, and implement enhancements to the records management program
- Co-ordinate tablings, legislation, and provide other sessional related support services
- Supply administrative support services for the department, including space management, parking allocation and control, security, conference co-ordination, telecommunications, mail and courier services
- Plan, develop, and co-ordinate the production and distribution of publications
- Participate in various departmental communications committees and assist with the internal and external communication needs of the department
- Develop, recommend, and implement approved internal administrative policies and procedures within the department
- Provide office automation systems support to the department
- Provide library materials, a reference service related to the department's official documents, and other services to support the department's research needs
- Administer attachment of wages and salaries of government employees
- Procure departmental supplies and equipment

YEAR IN REVIEW

- Provided office automation technical support to over 60 work stations, which are connected to a network that provides greater communication capability and efficiency within the department
- Developed a comprehensive two-phase plan for the relocation of some divisions within the Terrace Building to improve space allocation and bring divisions with shared responsibilities into closer proximity; completed Phase I of this project and began planning for Phase II
- Co-ordinated communications for the privatization of the Alberta Government Telephones Commission, including development of communications plan, co-ordinating creative design and printing for TELUS share offering, drafting print advertising, and administering provincial and national distribution of all required materials
- Converted 12 administrative support systems to operate more efficiently with multiple users over the network; this included a document tracking system for the department
- Developed the communications plan, co-ordinated creative design and printing of all promotional and program materials, drafted print and radioadvertising, and administered province-wide distribution of all materials for the 1990 Alberta Capital Bond program

- Provided the review and processing support for approximately 30,000 invoices to ensure timely payment
- Transferred over 11,500 cubic feet of records from active to semi-active storage to lower the cost of storage
- Provided administrative support for the provincial Budget, including budget communications, establishment of a province-wide information line, print co-ordination and management of local, national and international distribution.
- Reviewed, updated, and co-ordinated production of an orientation package for new employees
- Provided access for all network users to the departmental library system for more efficient reference capability
- Assisted in the planning of the CTA 10th Anniversary and co-ordinated the promotion and production of the various components of the anniversary events

Selected Personnel Transactions During Fiscal Year 1990–91 (a)

	Hirings		Separations		Positions Classified and Reclassified
	Male	Female	Male	Female	
Managerial	2	--	6	2	12
Professional	26	23	21	15	23
Technical	13	10	9	6	26
Support	13	43	11	43	57
	54	76	47	66	118

(a) Excludes Alberta Treasury Branches

Position Establishment at March 31, 1991, by Classification (a)

	Occupied			
	Male	Female	Vacant	Total
Managerial	159	33	18	210
Professional	76	50	13	139
Technical	79	65	5	149
Support	38	272	25	335
	352	420	61	833

(a) Excludes Alberta Treasury Branches

II. BRANCH AND DIVISION REPORTS

FINANCE AND REVENUE

Finance Programs Branch
- Finance Planning and Analysis
- Loans and Guarantees

Revenue Branch
- Corporate Tax Administration
  - Audit
  - Interpretations and Appeals
  - Operations
  - Revenue Systems
- Financial Institutions
- Revenue Administration

Investment Management

Banking and Cash Management
- Corporate Management Services

Risk Management and Insurance

FINANCE PLANNING AND ANALYSIS

FUNCTIONS

- Co-ordinate Treasury's planning and policy analysis for the Alberta Heritage Savings Trust Fund
- Prepare prospectuses, offering circulars, and related documentation for the province's borrowing program
- Analyse and make recommendations on policy issues in the regulation of Alberta's financial sector, in conjunction with Revenue Branch, Financial Institutions
- Analyse and provide recommendations on capital budgets, program initiatives, and financing requirements of provincial Crown corporations, including privatization initiatives
- Provide analysis and recommendations on a broad range of financial issues and proposed initiatives
- Prepare the quarterly and annual reports of the Alberta Heritage Savings Trust Fund; prepare those sections of the Budget Address and other publications related to the Heritage Fund, other major regulated funds, and provincial Crown corporations
- Manage the weekly Treasury Bill auction

YEAR IN REVIEW

- Co-ordinated preparation of underwriting agreements and other documentation for four debt issues: US$500 million and US$300 million in the United States market, $500 million issued in Canada, and $500 million issued in Europe
- In co-operation with other divisions, co-ordinated a successful $734 million Alberta Capital Bond sales campaign in May 1990
- Analysed and made recommendations on a range of policy issues relating to the province's new Loan and Trust Corporations Act, which was passed by the legislature in June 1991, and national developments in the financial sector; provided briefings and analysis for several interprovincial meetings regarding financial sector policy harmonization and co-ordinated the production of a provincial position paper, which was released in March 1991
- Played a major role in the privatization of the Alberta Government Telephones Commission through the creation of TELUS Corporation and the largest common share offering in Canadian history which incorporated the sale of shares through 41 investment dealers and financial institutions in Alberta

LOANS AND GUARANTEES

FUNCTIONS

- Co-ordinate Treasury's planning and policy analysis for loans and guarantees
- Analyse and provide recommendations on financial and policy issues on investments, loans, advances, and guarantees
- Negotiate terms, conditions, and appropriate business structures and approve documentation for loans and guarantees
- Develop and review legislation, regulations, and orders concerning loans and guarantees
- Administer loan and guarantee agreements during their term, and monitor and report on their status
- Undertake special projects on financial reorganizations and corporate recovery programs

YEAR IN REVIEW

- Completed negotiation for financing the Al-Pac 500,000 tonne per year pulp mill at Athabasca, Alberta
- Participated on interdepartmental task forces established to privatize Crown controlled companies. Results achieved include the sale of Alberta Terminals Ltd. and Lambco to private sector interests. Efforts continue on other privatization initiatives commenced during the year.

- A number of corporate financial reorganization proposals were reviewed during the year, some resulting in approval of refinancings and others in steps to realize on security held in support of loans and guarantees.

- Provided advice to operating departments on a number of government financing proposals falling within departmental mandates

- Monitored the construction and completion of the 110,000 tonne per year pulp mill operating as the Slave Lake Pulp Partnership, whose partners include the Alberta Energy Company Ltd. and MoDo Canada Inc.

CORPORATE TAX ADMINISTRATION (CTA)

AUDIT

FUNCTIONS

- Develop and maintain the audit capability for the Alberta Corporate Tax Act, encouraging voluntary compliance, deterring tax avoidance, and ensuring uniform application of the law

- Utilize efficient audit techniques, including appropriate computer software, to identify potential candidates for audit

- Maintain a program of desk audits and in-depth field audits

- Co-ordinate Alberta tax audit activities, where possible, with other agencies and governments to avoid duplication of audit effort

YEAR IN REVIEW

- Long- and short-range audit plans were developed based on an assessment of areas of potential exposure in Alberta tax programs.

- Levels of desk and field audit coverage increased by 9 percent and revenue recoveries by 116 percent compared with the previous year.

- Ongoing liaison with other jurisdictions continued to ensure that income earned in Canada is allocated to Alberta in correct proportion. Issues addressed related to the location of gross revenue from certain oil and gas products and to the proper allocation of salaries and wages in shared payroll situations.

- The utilization of computerized data was increased to verify Royalty Tax Credit claims and, together with greater use of micro and lap-top computer applications, further increased audit effectiveness.

INTERPRETATIONS AND APPEALS

FUNCTIONS

- Issue binding advance tax rulings under the Alberta Corporate Tax Act to confirm tax implications of major business transactions

- Review taxpayers' objections under the Alberta Corporate Tax Act and the Alberta consumption tax legislation and confirm, vary, or vacate assessments

- Liaise with the Attorney General Department on taxpayers' appeals to the court

- Provide information to the corporate tax community through interpretation bulletins, information circulars, and technical articles

- Respond to technical enquiries

- Assist in the drafting of amendments to, and prepare regulations under, the Alberta Corporate Tax Act

YEAR IN REVIEW

- Issued nine advance tax rulings and responded to about 1,900 requests for technical interpretations and opinions concerning corporate tax programs

- Disposed of 353 objections under the Alberta Corporate Tax Act and assisted in the disposition of 25 appeals to the court

- Assisted in the drafting of legislative provisions, including the price-sensitive Royalty Tax Credit and the new financial institutions capital tax, and drafted related regulations

- Drafted numerous information circulars and Tax Notes articles on new and revised programs under the Alberta Corporate Tax Act and on administrative amendments and policies

OPERATIONS

FUNCTIONS

- Identify corporations subject to the Alberta Corporate Tax Act and maintain the taxroll; ensure each corporation files, voluntarily or by legal enforcement, returns and information as required by law

- Process and assess corporate tax, insurance corporations tax, and financial institutions capital tax; verify the accuracy of tax credit claims; prepare reassessments, and issue notices of assessment and reassessment

- Process monthly Royalty Tax Credit instalment applications

- Administer the receipt of payments and maintain corporate accounts which includes processing taxpayer remittances, issuing statements of account, and issuing refunds

- Provide an account enquiry service allowing corporations to determine the status of their tax accounts and resolve account discrepancies

- Collect outstanding tax accounts

YEAR IN REVIEW

- Processed 119,446 tax returns, an increase of 2.2 percent over the previous year. The average elapsed time to process a tax return was 22 days. Processed 118,801 tax payments, an increase of 10.4 percent over the previous year.

- Continued the investigation of electronic imaging technology, focusing on a business plan for the introduction of this technology

- Implemented a process to assess and collect the financial institutions capital tax

- Proceeded to make the necessary changes to enable the processing of claims for the Royalty Tax Credit Gas Supplement Program

- Completed the development of the Compliance Inventory Management System (CIMS), which will provide significant improvement to the management and processing efficiency of the filing compliance and collections functions. Implementation is scheduled for May 13, 1991.

- Converted the remittance processing function from batch to online, resulting in a more efficient and current reporting of tax payments

REVENUE SYSTEMS

FUNCTIONS

- Plan and manage the development, implementation, operation, and maintenance of systems to support the operational, management, and administrative functions of Revenue Branch

- Provide data processing services and facilities to Revenue Branch

YEAR IN REVIEW

- Completed development of the Compliance Inventory Management System (CIMS), an online computer system to support tax return filing and account collection functions under the Alberta Corporate Tax Act

- Reviewed and updated plans for the remaining phases of redevelopment of the Corporate Income Tax System

- Prepared a Revenue Administration systems redevelopment plan and commenced initiatives identified in the Revenue Administration Information Systems Enhancement report

- Completed a Revenue Branch Business Systems Planning study to identify potential areas for building common systems to support the revenue collection functions in Corporate Tax Administration and Revenue Administration
- Commenced a business area analysis for developing a common accounting system that will serve both Corporate Tax Administration and Revenue Administration
- Developed and installed automated taxroll and accounting components of the new Financial Institutions Capital Tax System and completed design of the assessment component
- Reorganized and renamed the division to reflect its broadened role within the Revenue Branch and to provide a more efficient and responsive structure in dealing with changing technology and a growing workload
- Acquired a new life cycle methodology that will facilitate improved, responsive, and more cost effective system services to Revenue Branch
- Installed Computer-Aided Software Engineering tools that will increase the productivity of Revenue Systems staff and improve the quality of systems
- Upgraded the main processor at the Tax Administration Computing Centre, providing additional capacity and improved response time
- Continued evaluation and assessment of image technology and the feasibility of applying this technology at Revenue Branch
- Expanded the Revenue Branch Local Area Network (LAN) to support PC based applications and commenced conversion of word processing functions from WANG minicomputers to WordPerfect using the LAN

CORPORATE TAX ADMINISTRATION

STATISTICAL HIGHLIGHTS

(unaudited)

		1990/91	1989/90
TAX RETURNS			
Number Received		119,515	117,535
Number Assessed		119,446	116,916
Number Reassessed		15,652	14,749
PAYMENTS			
Corporate Income Tax	- Number Received	118,275	107,143
	- Value ($,000)	945,356	847,851
Insurance Corporations Tax	- Number Received	398	450
	- Value ($,000)	57,910	58,690
Financial Institutions Capital Tax	- Number Received	128	N/A
	- Value ($,000)	26,612	N/A
ASSESSMENTS ($,000)			
Corporate Taxable Income Allocated to Alberta		6,042,025	7,080,152
Corporate Income Tax Assessed		645,491	769,082
Refundable Tax Credits Assessed		345,496	353,504
Insurance Corporation Tax Assessed		48,289	57,486

FINANCIAL INSTITUTIONS

FUNCTIONS

- Receive and monitor monthly, quarterly, and annual financial reports submitted by credit unions and trust companies to determine if their business operations are conducted in accordance with the Alberta Credit Union Act and the Alberta Trust Companies Act and corresponding regulations, and in accordance with sound business practices
- Conduct examinations of credit unions and trust companies to determine if their business operations are conducted in accordance with applicable legislation and sound business practices
- Maintain a register of credit unions and trust companies
- Provide advice and guidance on the incorporations and dissolutions of credit unions and trust companies in Alberta
- Prepare and recommend amendments to the Alberta Credit Union Act and Alberta Trust Companies Act and corresponding regulations
- Investigate and resolve complaints from the public regarding credit unions and trust companies
- Co-ordinate and participate, where appropriate, with other provincial regulatory bodies to promote efficient and effective regulation of trust companies

YEAR IN REVIEW

- Monitored and examined credit unions and trust companies with emphasis on early detection of financial difficulties, identification of areas where future problems may arise, compliance with legislation, and determining economic viability and financial soundness
- Registered documents for credit unions and trust companies as required by legislation and provided assistance in the incorporation and dissolution of these institutions
- Provided interested parties, and the public, access to registered information
- Investigated and resolved complaints from the public regarding credit unions and trust companies
- Assisted credit unions in the development of their new bylaws to ensure that they complied with the requirements under the new Credit Union Act
- Conducted a series of information sessions for credit union managers and credit union elected officials in seven Alberta locations respecting the new Credit Union Act, and sought information as to suggested changes to the Credit Union Act or Regulations
- Made a presentation to a number of credit union audit committees outlining the role and responsibilities of the audit committee members and internal and external auditors
- Maintained an ongoing review of the legislation to ensure its relevance to the changing financial environment in which credit unions and trust companies function; recommended changes to the legislation where this was considered appropriate
- Made recommendations on a revised fee structure respecting trust companies operating in Alberta in order to achieve a greater cost recovery in administering the legislation
- Developed amendments to a Policies and Procedures Manual and Operating Manual respecting administration of the proposed Loan and Trust Corporations Act
- Provided interpretations of legislation and notice of information for the credit unions and trust companies by issuing credit union and trust company bulletins and circulars
- Co-ordinated and participated in the development of a common trust company quarterly report form for use by all provincial regulators

FINANCIAL INSTITUTIONS
STATISTICAL HIGHLIGHTS
(thousands of dollars)
(unaudited)

	March 1991	March 1990	Increase (Decrease)	% Change
ALBERTA CREDIT UNIONS				
Total Assets	$3,305,402	$3,039,761	$265,641	8.72
Loans to Members	2,005,614	1,754,764	250,850	14.30
Total Deposits	3,191,882	2,930,963	260,919	8.90
Number of Credit Unions	96	97	(1)	
Number of Branches	186	190	(4)	
TRUST COMPANIES REGISTERED IN ALBERTA				
Total Assets	$92,414,255	$81,871,037	$10,543,218	12.88
Deposit Liabilities	86,546,169	76,699,139	9,847,030	12.84
Shareholder Equity	4,568,793	4,140,178	428,615	10.35
NUMBER OF TRUST COMPANIES REGISTERED IN ALBERTA				
Federally Incorporated	23	24	(1)	
Extra-Provincially Incorporated	14	14		
Alberta Incorporated	5	5		
	42	43	(1)	

REVENUE ADMINISTRATION

FUNCTIONS

- Collect, audit, and account for taxes due under the provisions of the Fuel Tax Act, the Tobacco Tax Act, the Hotel Room Tax Act, and the Pari Mutuel Tax Act
- Administer the Alberta Farm Fuel Distribution Allowance (AFFDA), the Alberta Domestic Heating Oil Allowance (ADHOA), and fuel tax exemption benefits
- Administer the Utility Companies Income Tax Rebate Program
- Operate the central collection service for government to maximize the recovery of accounts and loans in default owing to the Crown
- Develop and encourage good collection and receivables management procedures and appropriate collection efforts by departments and agencies
- Make recommendations for compromises, remissions, or write-offs of accounts and loans receivable
- Operate a central revenue deposit service for the government

- Review and evaluate revenue sources such as fees, permits, and other miscellaneous types of revenue and recommend changes to improve the cost-effectiveness or efficiency of the revenue collection process

- Administer credit card applications by departments to permit the use of these cards by the public to purchase goods and services

- Disseminate information and provide assistance to departments and agencies concerning federal sales, excise, goods and services, telecommunications, and air transport tax regulations and their implications

- Prepare the province's Goods and Services Tax (GST) return and administer a computerized remittance control system for Alberta government entities

- Conduct systems and procedures review of the cost accumulation and claiming process under various federal/provincial cost-shared programs

- Contract for and co-ordinate armored car service for all government departments

YEAR IN REVIEW

- Conducted a farmer declaration update process for over 53,000 farmers as a result of changes to the farm revenue eligibility criteria for AFFDA

- Administered the development and registration of a propane retailers client roll and preparation and distribution of tax related forms and information packages in relation to the extension of the fuel tax to propane used for transportation purposes

- Developed a computerized remittance control system to track GST paid and collected by the 450 tax-free Alberta government entities

- Prepared the province's GST return for the first two months of 1991 which included the centralized recording and remittance of the tax

- Centralized the mail opening and delivery duties for the division in the Document Reception unit of Corporate Tax Administration – Support Services

- Commenced analysis in conjunction with the Revenue Systems Branch of business data and relevant process requirements in relation to the development of a new accounting system

- Reduced the cost of armored car service to government departments through negotiation and the issue of new contracts

- Conducted joint audits of interjurisdictional carriers with various U.S. and Canadian jurisdictions to reduce the number of audits for truckers

- Co-ordinated efforts to assist other enforcement agencies in relation to the Fuel Tax Act

- Completed compilation of a database in respect of violations of the Fuel Tax Act

- Developed procedures and forms for the provision of tax exemptions to Alberta Indians and Indian bands

- Created comprehensive collections guidelines to foster and maintain consistency and high standards by private collection agencies collecting receivables owed to the Crown

- Commenced reorganization of the Operations area to establish separate Validations, Disbursements and Accounts, Tax and Benefit Rolls, and Planning areas, and assigned new and existing functions to better serve the public

REVENUE ADMINISTRATION
STATISTICAL HIGHLIGHTS
(unaudited)

	1990/91	1989/90
	(thousands of dollars)	
REVENUES COLLECTED		
Taxes		
Fuel Tax	$402,555	$284,997
Tobacco Tax	270,065	239,546
Hotel Room Tax	25,074	23,223
Pari Mutuel Tax	11,009	9,787
Payments from Government of Canada		
Cost-Shared Program - Statutory Subsidies	3,703	3,707
- Stabilization	148,545	N/A
MANAGEMENT OF PAST-DUE GOVERNMENT RECEIVABLES		
Collections	7,529	7,272
Compromises *	315	162
Remissions *	359	23
PAYMENTS TO ASSIST ALBERTA CONSUMERS		
Farm Fuel Costs (Alberta Farm Fuel Distribution Allowance and Domestic Heating Oil Allowance)	94,052	134,121
Householder Utility Costs (Utility Companies Income Tax Rebate Program)	146,912	226,431

* Includes only approved compromises and remissions arising from past due accounts transferred to Crown Debt Collections by departments

INVESTMENT MANAGEMENT

FUNCTIONS

- Develop and implement strategies for the investment of cash reserves, long-term investment portfolios, and various sinking funds of the government and a number of its agencies. The division is also responsible for the management of the province's debt.

- Assist in maintaining an orderly market for publicly-traded securities issued and/or guaranteed by the Province of Alberta

- Provide research for investment and debt management strategies

YEAR IN REVIEW

- Towards the end of the year, Investment Management embarked on a program to complement investment management activity by enlisting the services of private sector investment managers. Allocations of monies to managers with various mandates will commence in the fiscal year 1991–92.

- As part of the external manager initiative, Investment Management participated in the selection of a global custodian. From Investment Management's perspective, the custodian will facilitate the monitoring and direction of the managers through the provision of a variety of reports.

ASSET MANAGEMENT

- The total book value of securities managed at year end was $14.7 billion. This included $4.4 billion in short-term securities, $7.3 billion in bonds, notes, and debentures, $2.3 billion in equities, and $0.7 billion in mortgages and real estate.

- The major funds for which these assets are managed are described below:

- **Pension Fund**
  With investments of $5.7 billion at year end, the Pension Fund was the largest single fund under the division's management. It is invested in a broad range of assets designed to assist the province in meeting its obligations under various public sector pension plans.

- **Consolidated Cash Investment Trust Fund**
  This cash management facility provides approximately 190 participants with the benefits of fully-invested cash balances together with full liquidity. Investments are concentrated in high-grade, short-term securities.

- **AHSTF Section 10**
  Funds which have not been invested under one of the investment divisions of the Heritage Fund are managed under Section 10 of the Alberta Heritage Savings Trust Fund Act. These monies are invested in a variety of marketable fixed income securities to provide liquidity while, at the same time, enhancing the return on funds not yet committed to other divisions.

- **AHSTF Commercial Investment Division**
  This division, which commenced operations in 1981–82, seeks to attain commercial rates of return through equity investments. The broadly-based holding of Canadian equities, convertible debentures, and short-term securities grew during the year to a closing level of $339 million.

- **Workers' Compensation Fund**
  This fund provides for long-term disability and pension benefits payable as a result of injuries from industrial accidents.

- **Endowment Funds**
  The Medical Research Endowment Fund supports research sponsored by the Alberta Heritage Foundation for Medical Research. The Alberta Heritage Scholarship Fund provides for a wide range of scholarships for Albertans.

- **Sinking Funds**
  Sinking fund operations for the Alberta Municipal Financing Corporation, Province of Alberta, and Alberta Resources Railway Corporation provide for the eventual retirement of the obligations, as well as marketability for current holders of the securities issued by these bodies.

DEBT MANAGEMENT

- During the year, the province floated new issues in Canadian, U.S., and Euro markets totalling C$2.8 billion and executed interest rate swaps totalling C$340 million.

- Analytical tools to facilitate the management of currency exposure and interest rate swaps were developed to support debt management operations.

BANKING AND CASH MANAGEMENT

FUNCTIONS

- Manage the banking operations of the provincial government and designated boards and agencies; monitor the organization of provincial banking to ensure that effective cash management practices such as funds collection systems, payments systems, and cash concentration systems are in place for optimal cash utilization
- Provide effective methods of making government payments in foreign currencies
- Provide cash management expertise to provincial corporations, boards, and agencies
- Project and analyse all government cash flows in order to prepare cash flow forecasts on a daily, weekly, and monthly basis to assist investment and debt management decisions
- Perform control, record keeping, and management reporting functions for investment, debt, foreign exchange, and the securities lending system for funds
- Administer the Consolidated Cash Investment Trust Fund (CCITF) system including banking arrangements, balancing, forecasting, monthly and quarterly reports, and earnings distribution
- Monitor receipt of investment income and deposit all income received
- Monitor debt payments and limits
- Provide custodial and safekeeping services
- Provide registrar, transfer, and paying agent facilities, either internal or contracted out, for debt issues of the province and the Alberta Municipal Financing Corporation, the Alberta Government Telephones Commission, and the Alberta Resources Railway Corporation
- Settle investment, debt, foreign exchange, and securities lending transactions for funds
- Operate finance systems such as the investment, debt, foreign exchange, and the securities lending system (Fundtrac); the Consolidated Cash Investment Trust Fund system; the Farm Credit and Small Business systems; as well as several other financial systems
- Plan and manage the development, implementation, and maintenance of integrated systems and office automation technology to support the operational, management, and administrative functions of the Finance Branch

YEAR IN REVIEW

- Assisted several agencies in the improvement of cash management, debt administration, and investment administration
- Developed new automated revenue collection systems for some departments and participated in the development of new direct deposit systems for such groups as vendors and assured income recipients
- Reviewed and updated several financial institution agreements
- Settled approximately 13,700 investment, debt, foreign exchange, and securities lending transactions
- Developed and implemented new systems to support various functions as follows:
  - a new CCITF System
  - several improvements and enhancements to the investment/debt systems to reduce operating costs and increase serviceability
  - implementation of a local area network for Finance Branch users
  - implementation of direct links to financial institutions to improve data transfer
  - implementation of a new contingent liability system
- Implemented and managed banking arrangements, fiscal agency agreements, debenture laydown settlements, and funds transfers for six new debt issues, including Alberta Capital Bonds, a Euro Canadian dollar issue, two Canadian domestic issues, a U.S. dollar domestic issue, and Canada Pension Plan funding
- Conducted training sessions and implemented improvements in Alberta Capital Bond procedures
- Participated in the choice of a global custodian for investment assets
- Assumed responsibility for administration of debt of the Alberta Government Telephones Commission

CORPORATE MANAGEMENT SERVICES

FUNCTIONS

- Administer the affairs of the Alberta Municipal Financing Corporation
- Administer the affairs of the Alberta Government Telephones Commission
- Provide accounting, investment administration and debt management services to the Alberta Resources Railway Corporation

YEAR IN REVIEW

- Alberta Municipal Financing Corporation:
  - New loans issued in 1990 totalled $197 million, a decrease of $228 million from total loans made in 1989 of $425 million.
  - Total outstanding loans receivable were $5.1 billion at the end of 1990. Of this total, 75.5 percent was borrowed originally for municipal purposes, 24.1 percent for school purposes, and 0.4 percent for hospital purposes.
  - The capital required in 1990 to satisfy the needs of municipal, school, and hospital authorities was obtained by drawing down of assets from the sinking fund amounting to $150 million.
  - Debt redemptions in 1990 totalled $80 million, consisting of $2 million Canadian public issues and $78 million issued to the Canada Pension Plan Investment Fund.
  - The gross outstanding long-term debt of the corporation was $5.5 billion as at December 31, 1990.

  Note: A copy of the Alberta Municipal Financing Corporation annual report is available by telephoning the office of the corporation at 427-9711.
- Alberta Government Telephones Commission:
  - developed proposed financial statements to reflect operations after privatization
  - worked with Securities Administration and other staff to take over debt administration
  - set up new banking and funds transfer arrangements
- Alberta Resources Railway Corporation:
  - reviewed the sinking fund and implemented improvements

RISK MANAGEMENT AND INSURANCE

FUNCTIONS

- Continue evolution and administration of comprehensive means for managing the risk and protecting the assets of the government and other entities included in the overall program
- Risk Identification—determine the possible and probable risk exposures of entities within the program, using statistical methods, as well as investigation and forecasting
- Risk Assumption—assess the expected frequency and severity of loss using empirical data and trend analyses, considering factors such as increases in loss costs; establish, for each class of insurable risk, a basic aggregate value of losses that will be expected/assumed as tolerable within financial capability
- Risk Control—analyse participants' loss experience by using statistics developed within the division in addition to data obtained through both specific and routine field inspections; develop and implement loss control practices based on findings
- Risk Transfer—provide guidance to participants on how risk can be reduced and/or transferred via the wordings of their agreements with other parties; where cost effective, arrange to transfer otherwise non-transferable, unexpected, and severe accidental losses, above the accepted risk assumption levels, to insurers

- Adjust, or monitor the adjustment of, all insurable losses of Crown entities, whether the losses are insured, self-assumed through the Alberta Risk Management Fund, or uninsured

- Recoveries—prepare documentation on, and negotiate recovery of, monies due from the insurers of government and other parties responsible for loss or damage caused to the Crown

YEAR IN REVIEW

- Completed a review of the property program covering lending institutions' repossessed properties for risk evaluation purposes

- Served as government advisor on the board of directors of Alberta Local Authorities Reciprocal Insurance Exchange during its first year of operation

- Completed an updated marketing manual for risk management analysis and insurance marketing purposes

- Completed and issued a fully revised risk management program manual to all program participants

- Continued inspections of government locations for property, liability, and crime risk evaluation purposes while expanding the use of loss control engineering consultants

- Updated our motor vehicle safety program and loss experience statistics for provision to participants

- Completed a review of independent adjusting firms in southern Alberta to update the preapproved adjusters' list

- Converted from dedicated word processing to networked personal computer system with improved word processing and software and customized statistical programs

- Commenced project of identifying and classifying program participants in conjunction with definitions set out in the Financial Administration Act

III. ALBERTA TREASURY BRANCHES

Superintendent: A.O. Bray

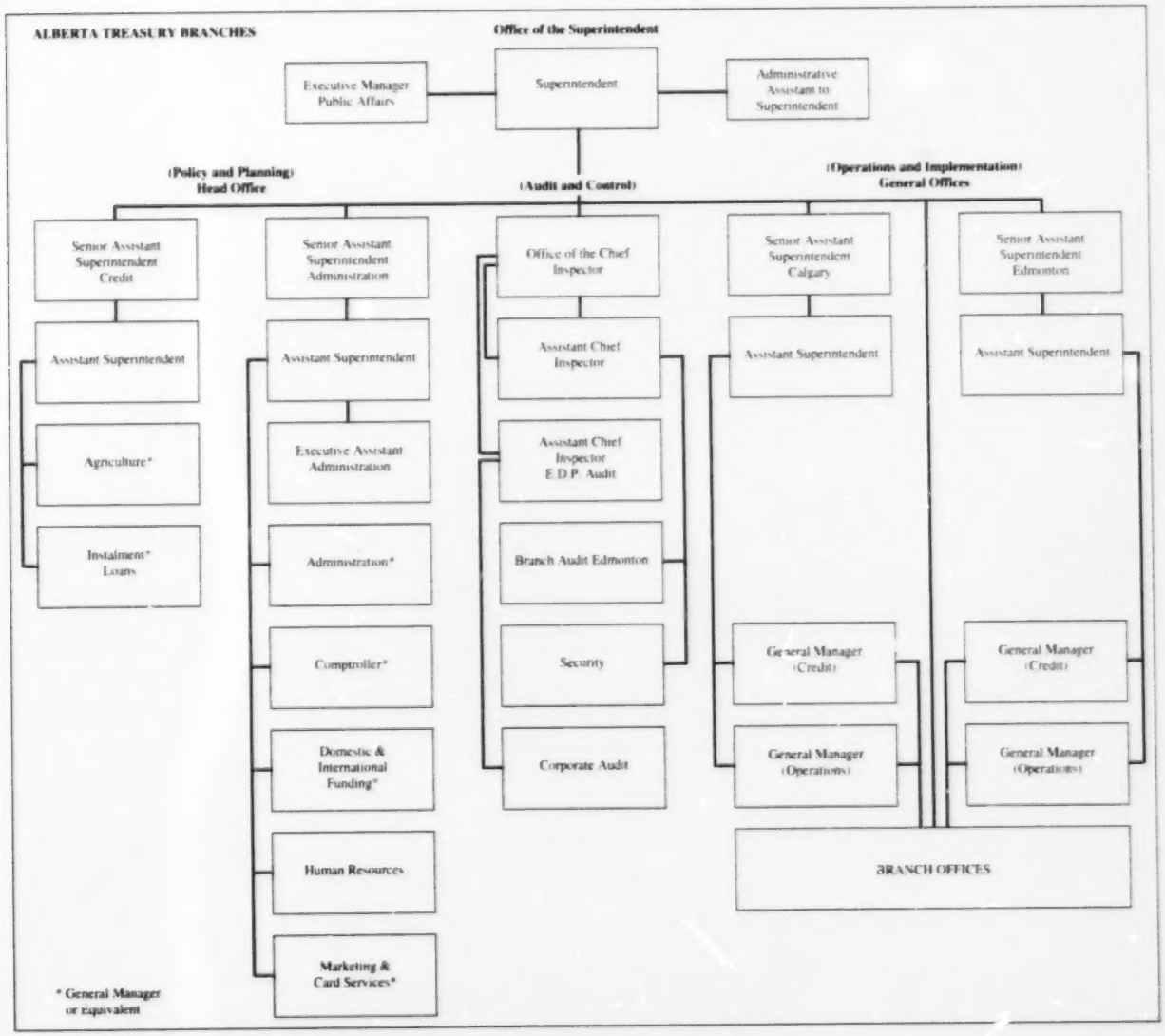
FUNCTIONS

The major function of Alberta Treasury Branches is to operate a system of branch offices and agency outlets to provide Albertans access to a full range of modern financial services at reasonable cost.

Primary responsibilities include

- accepting money on deposit
- loaning money to the public
- providing domestic and international money services for consumer and corporate needs
- furnishing safekeeping facilities, credit card services, utility bill remittances, and related sundry financial services
- conducting a profit-oriented operation for the benefit of all Albertans

Note: A comprehensive review is published annually with extensive detail on the financial operations and activities of Alberta Treasury Branches. Copies may be obtained from any of the branches or agencies or from the Head Office at the Ninth Street Building (9925 – 109 Street, Edmonton, T5K 2J8), or by calling 493-7307.



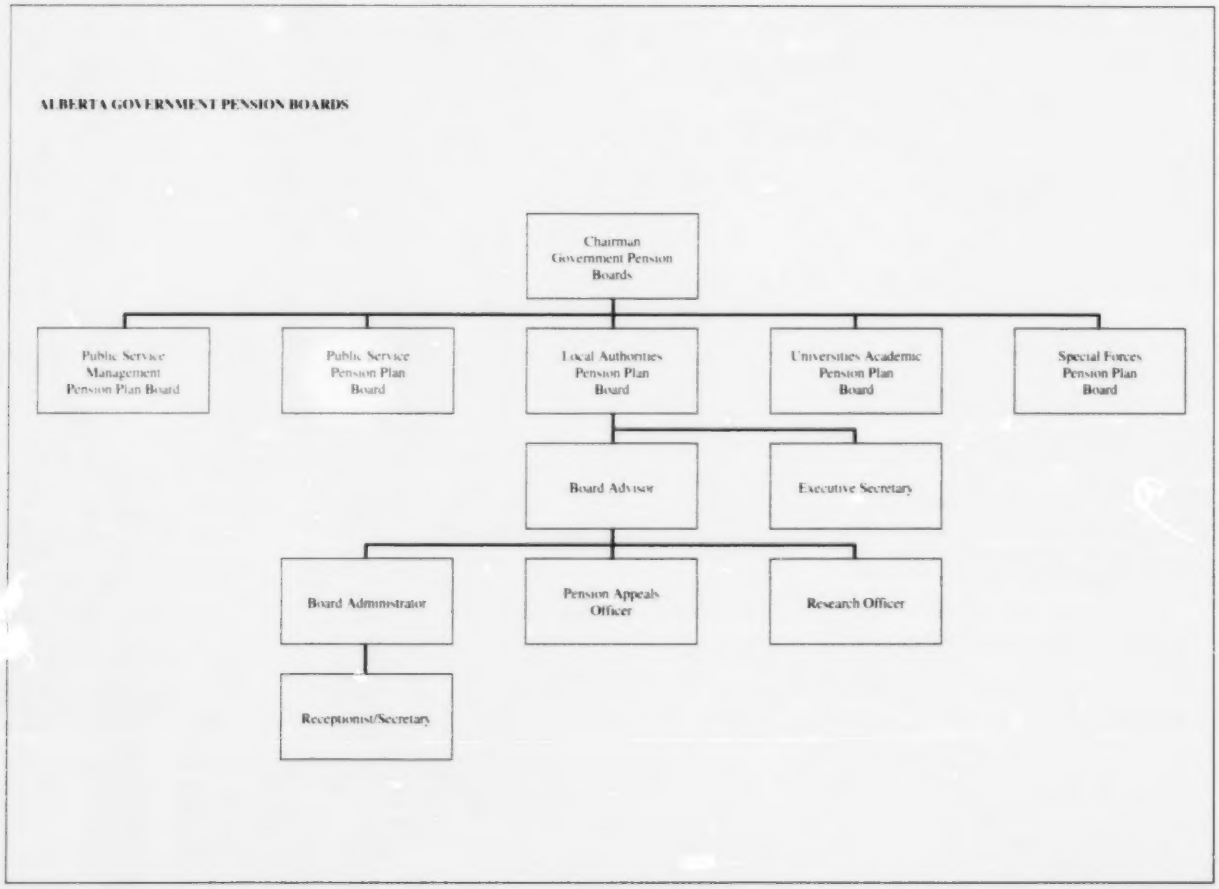
IV. ALBERTA GOVERNMENT PENSION BOARDS

Chairman: J.E. Faries

FUNCTIONS

- Acting independently of the department, provide administrative services to the five Pension Plan Boards relative to hearing of appeals against decisions of the Minister of Pensions in relation to the administration of the five pension plans
- Prepare background information relative to applications by members for extensions to time limits, as provided for in legislation
- Obtain and summarize input on pension concerns from employee and employer groups affected by the pension plans, from the representative members on the boards, and through research methods
- Compile data on federal and provincial pension legislation across Canada with a view to assisting the boards in their deliberations
- Prepare draft proposals for boards' consideration and refinement to assist in fulfilment of their mandates of advising the Minister of Pensions on such matters as adequacy of pension contributions, cost of living adjustments to pensions, rate of interest, plan benefits, reciprocal agreements, recognition of prior service, eligibility and participation in the plans, and actuarial tables prescribed
- Perform any other duties related to the pension plans that may be assigned by the Minister

Note: The Alberta Government Pension Boards' annual reports can be obtained from Room 1203, Legislature Annex (9718 – 107 Street, Edmonton, Alberta T5K 1E4), or by calling 427-7105.



V. APPENDICES

A. Acts Administered by Alberta Treasury

B. Publications Available from Alberta Treasury

C. Executive of the Department

APPENDIX A
ACTS ADMINISTERED BY ALBERTA TREASURY

Alberta Corporate Tax Act
Alberta Heritage Savings Trust Fund Act
Alberta Income Tax Act
Alberta Municipal Financing Corporation Act
Alberta Stock Savings Plan Act
Appropriation Acts
Civil Services Garnishee Act
Credit Union Act
Farm Credit Stability Fund Act
Financial Administration Act
Fuel Tax Act
Government Emergency Guarantee Act
Government Land Purchases Act
Hotel Room Tax Act
Local Authorities Pension Plan Act
Members of the Legislative Assembly Pension Plan Act
Municipal Debentures Act
Pari Mutuel Tax Act
Pension Fund Act
Provincial Debt Reorganization Act
Public Service Administrative Transfers Act
Public Service Management Pension Plan Act
Public Service Pension Plan Act
Small Business Term Assistance Fund Act
Special Forces Pension Plan Act
Statistics Bureau Act
Tobacco Tax Act
Treasury Branches Act
Trust Companies Act
Universities Academic Pension Plan Act
Utility Companies Income Tax Rebates Act

APPENDIX B
PUBLICATIONS AVAILABLE FROM ALBERTA TREASURY

Many branches and divisions of Alberta Treasury publish information about their programs and operations. As of April 1, 1991, the following publications are available from

i Support Services and Publications, Room 302, Terrace Building (9515 – 107 Street, Edmonton, T5K 2C3) or by calling 427-9957:

Alberta Treasury Annual Report
Alberta Budget Documents
- Budget Address
- Government Estimates
- Supplementary Information Element Details
- Legislative Assembly Estimates
- Capital Fund Estimates
- AHSTF – Capital Projects Division
  - Estimates of Proposed Investments
- Program Structure Chart

Public Accounts
Supplementary Information to the Public Accounts
Alberta's Budget Process
Alberta Heritage Savings Trust Fund Annual Report
Alberta Heritage Savings Trust Fund Quarterly Reports
Alberta Municipal Financing Corporation Annual Report

ii Alberta Bureau of Statistics, Data Services, (Suite 600, Park Plaza, 10611 – 98 Avenue, Edmonton, T5K 2R7) or by calling 427-3058:

TITLE	FREQUENCY
Alberta Economic Multipliers	Occasional
Alberta Statistical Review	Quarterly
Alberta Quarterly Population Growth	Quarterly
Alberta Economic Accounts	Annual
Alberta Population Projections	Occasional
Alberta Census Division Population Projections	Occasional
Alberta Facts	Annual
Alberta Gross Domestic Product	Annual

iii Tax Information Services, Sir Frederick W. Haultain Building (9811 – 109 Street, Edmonton, T5K 2L5) or by calling 427-0712 (Alberta Zenith 22143):

Corporate Tax Administration Publications

TITLE	FREQUENCY
An Introduction to Alberta's Corporate Income Tax	Occasional
Tax Notes	Occasional
Information Circulars	Occasional
Interpretation Bulletins	Occasional
(Tax forms and guides to their completion)	Occasional

Revenue Administration Publications

TITLE	FREQUENCY
Information Circulars (Fuel Tax Act)	Occasional
Alberta Fuel Tax	Occasional
Fuel Tax Facts for Commercial Carriers	Occasional
Alberta Farm Fuel Price Advantage	Occasional
Information Circulars (Hotel Room Tax Act)	Occasional
Information Circulars (Tobacco Tax Act)	Occasional
Alberta Tobacco Tax	Occasional
Information Circulars (Indian Tax Exemption)	Occasional

Financial Institutions Publications

TITLE	FREQUENCY
Credit Union Bulletin	Occasional
Credit Union Information Circulars	Occasional
Trust Companies Circulars	Occasional

APPENDIX C
EXECUTIVE OF THE DEPARTMENT

as at March 31, 1991

Provincial Treasurer	**Hon. Dick Johnston**
Deputy Provincial Treasurer, Management and Control	**A.D. O'Brien**
Controller	J.D. Peters
Accounting	R.A.G. Lowen
Disbursement Control	T.W. Burns
Financial Systems	F.V. Scarfone
Payroll and Pensions	E.J. Wilcox
Policies and Procedures	M.H. Mylod
Assistant Deputy Provincial Treasurer, Budget and Fiscal Policy	L.G. Morrison
Budget Bureau	J.R.E. Goodkey
Bureau of Statistics	H.W. Ford
Tax and Fiscal Policy	G.K. Robertson
Administration	M.D. Faulkner
Deputy Provincial Treasurer, Finance and Revenue	**A.J. McPherson**
Assistant Deputy Provincial Treasurer, Finance Programs	Vacant
Finance Planning and Analysis	R.A. Bhatia
Loans and Guarantees	G.H. Kinsman
Chief Investment Officer	S.J. Susinski
Debt Securities	J.M. Husken
Equities	J.M. Campbell
Portfolio Research	R.C. Kamp
Liability Management	J. Parihar
Assistant Deputy Provincial Treasurer, Revenue	A.H. Kalke
Executive Director, Corporate Tax Administration	L.H. Landry
Audit	C.J. Calarco
Interpretations and Appeals	E.J. Ramsay
Operations	L.M.L. Rokosh
Revenue Systems	J.W.K. Parton
Financial Institutions	T.S. Stroich
Revenue Administration	L. Huisman
Banking and Cash Management	D.R. Bishop
Risk Management and Insurance	R.W. Whitehouse
Superintendent, Alberta Treasury Branches	**A.O. Bray**
Chairman, Alberta Government Pension Boards	**J.E. Faries**